

REMARKS

In response to the above identified Office Action, the Applicant submits the above amendments and respectfully request reconsideration in view of the remarks below. Claims 1, 9, 15, 16 and 20 are amended. No claims have been added or cancelled. Accordingly, claims 1-22 are pending in the application.

I. Claims Rejected Under 35 U.S.C. § 102

Claims 1-4, 7-12, 15-22 stand rejected under 35 U.S.C. § 102 as allegedly being anticipated by U.S. Patent No. 6,411,938 issued Gates, et al. (hereinafter "Gates").

To establish anticipation, the Examiner must show that the cited reference teaches each of the elements of the claims. In regard to independent claim 1, this claim, as amended, includes the elements of:

receiving at least one ACH transaction from a one of a payroll vendor and a client by a service provider that is separate from the payroll vendor;
verifying the at least one ACH transaction by the service provider;
executing the at least one ACH transaction by the service provider;

In respect to dependent claims that previously recited the added elements of a service provider (e.g. claim 9), the Examiner took the position that "[i]n Gates' disclosure the service provider is a payroll vendor" (see pg. 5 of the Office Action). Thus, the Applicant has also amended the claims to clarify that the Applicant intends to claim a service provider that is distinct from a payroll vendor. The Applicant has also amended the claim to clarify that "receiving at least one ACH transaction," "verifying at least one ACH transaction" and "executing at least one ACH transaction" are performed by a service provider that is not the payroll vendor. In the sections of Gates that the Examiner cites as disclosing each of these elements, the service provider is performing the action in regard to the elements of "receiving at least one ACH transaction" and

“verifying the at least one ACH transaction” and a receiving depository financial institution (RDFI) performs the “executing the at least one ACH transaction.” The claim, as amended, clarifies that the same entity (i.e., the “service provider”) performs each of these operations. Thus, Gates does not teach a single entity that performs each of these operations that is a service provider separate from a payroll vendor. Therefore, the Applicant believes that the claims, as amended, are not taught by Gates. Accordingly, reconsideration and withdrawal of the anticipation rejection of claim 1 are requested.

In regard to claims 2-4, 7-12 and 15-19, these claims depend from independent claim 1 and incorporate the limitations thereof. Thus, at least for the reasons mentioned above in regard to independent claim 1, these claims are not anticipated by Gates. Accordingly, reconsideration and withdrawal of the anticipation rejection of claims 2-4, 7-12 and 15-19 are requested.

In regard to claim 20, this claim, as amended, includes the elements of “determining a risk management scheme for the ACH data to protect the payroll vendor, the risk management scheme implemented by a payroll service provider separate from the payroll vendor.” The Examiner rejects the elements of claim 20 largely based on the same sections and arguments relied upon for rejecting claim 1. Thus, for reasons analogous to those presented in regard to claim 1, the Applicant believes the amended claim distinguishes over Gates. The aspect of Gates relied upon by the Examiner as teaching any risk management scheme is implemented by the payroll vendor. Gates does not teach a separate payroll service provider that provides risk management for a payroll vendor. Therefore, Gates does not teach each of the elements of claim 20. Accordingly, reconsideration and withdrawal of the anticipation rejection of claim 20 are requested.

In regard to claims 21 and 22, these claims depend from independent claim 20 and incorporate the limitations thereof. Thus, at least for the reasons mentioned above, these claims are not anticipated by Gates.

II. Claims Rejected Under 35 U.S.C. § 103

Claims 5 and 6 stand rejected under 35 U.S.C. § 103 as allegedly being unpatentable over Gates in view of U.S. Patent No. 5,987,433 issued to Crapo (hereinafter "Crapo") in view of U.S. Patent No. 6,606,606 issued to Starr (hereinafter "Starr").

Claims 5 and 6 depend from independent claim 1 and incorporate the limitations thereof. Thus, at least for the reasons mentioned in regard to independent claim 1, Gates does not teach or suggest each of the elements of claims 5 and 6. Further, the Applicant does not believe that Crapo or Starr cure the defects of Gates identified above in regard to independent claim 1. The Applicant has reviewed both Crapo and Starr, but has been unable to discern any part therein that teaches or suggests a service provider that receives, verifies and executes ACH transactions where the service provider is separate from the payroll vendor. Thus, the Applicant believes that Gates in view of Crapo and Starr fails to teach each of the elements of claims 5 and 6. Accordingly, reconsideration and withdrawal of the obviousness rejection of these claims are requested.

Claims 13 and 14 stand rejected under 35 U.S.C. § 103 as being unpatentable over Gates in view of Official Notice. The Examiner at pages 9 and 10 of the Office Action acknowledges that Gates fails to teach the elements of "placing available funds in a trust management system" and "using a double entry accounting system for processing transactions." The Examiner then relies on Official Notice to cure the defects of Gates.

Traversal of Official Notice

In regard to the Examiner taking Official Notice, the Applicant traverses this taking of Official Notice. To properly establish a *prima facie* case of obviousness based on facts asserted as common knowledge or by Official Notice, the Examiner must first establish that the facts that the Examiner intends to assert as common knowledge or take Official Notice of are suitable for such assertion. MPEP § 2144.03 clearly sets forth that such facts must be “capable of instant and unquestionable demonstration as being well-known,” as established by *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970). The Applicant notes that the Examiner takes the limitations of the relevant claims out of context when taking Official Notice. The claims recite “placing available funds in trust management” and “using a double entry accounting system in processing transactions,” in conjunction with the processing of ACH transactions. Neither trust management nor double entry accounting are currently utilized in the handling of ACH transactions especially by a service provider separate from a payroll vendor. While these are concepts that are known in other contexts, the Applicant believes that they are not previously utilized in this context. Thus, when the claims are taken as a whole, then use of Official Notice is inappropriate.

Further, the Examiner has failed to establish these allegedly well known facts as part of the record as required by MPEP § 2144.03 and *In re Zurko*, 59 USPQ2d 1693 (Fed. Cir. 2001). MPEP § 2144.03 clearly sets forth that the Examiner must provide “specific factual findings predicated on sound technical and scientific reasoning to support his or her conclusion of common knowledge.” The Examiner has not provided such support. Further, as clarified in *In re Zurko*, “[w]ith respect to core factual findings in a determination of patentability, however, the Board cannot simply reach conclusions based on its own understanding or experience – or on its

assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.” See *In re Zurko* at 1697. Thus, the assertion of Official Notice has not been properly established by the Examiner and cannot be relied upon as a basis for a *prima facie* case of obviousness.

Finally, it is not possible for the Applicant to set forth reasons as to why the noticed fact are not considered to be common knowledge or well-known in the art, because the Examiner has not supplied the requisite technical and scientific reasoning as part of the record for the Applicant to rebut. Rather, the Examiner has only made conclusory statements of what he believes to be well known, which is contradictory to the requirements of *In re Zurko*. Accordingly, the Applicant invites the Examiner to correct his Official Notice or withdrawal the related rejections based on it.

In addition claims 13 and 14 depend from independent claim 1 and incorporate the limitations thereof. Thus, at least for the reasons mentioned above in regard to independent claim 1, these claims are not anticipated by Gates. Accordingly, reconsideration and withdrawal of the anticipation rejection of claims 13 and 14 are requested.


CONCLUSION

In view of the foregoing, it is believed that all claims now pending, namely claims 1-22, patentably define the subject invention over the prior art of record, and are in condition for allowance and such action is earnestly solicited at the earliest possible date. If the Examiner believes that a telephone conference would be useful in moving the application forward to allowance, the Examiner is encouraged to contact the undersigned at (310) 207 3800.

Respectfully submitted,

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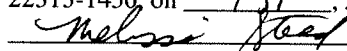
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Melissa Stead 1-31, 2008